
WHEREAS, on June 21, 2016, Public Act 192 of 2016 ("Act 192") amending The Revised School Code, 1976 PA 451, as amended, MCL 380.1 to 380.1853 (the "Code"), was enacted with immediate effect; and

WHEREAS Once Act 192 took effect, the School District of the City of Detroit ("DPS") became a qualifying school district under section 12b of the Code, MCL 380.12b, and a community district was created for the same geographic area of DPS to provide public educational services for residents of that geographic area (the "Community District") under section 383 of the Code, MCL 380.383; and

WHEREAS on June 21, 2016, acting pursuant to section 12b(3) of the Code, MCL 380.12b(3), Governor Richard D. Snyder designated Steven W. Rhodes, the emergency manager for DPS under the Local Financial Stability and Choice Act, 2012 PA 436, as amended, MCL 141.1541 to MCL 141.1575, as the transition manager for the Community District (the "Transition Manager"); and

WHEREAS under section 12b(3) of the Code, the Transition Manager performs the functions and satisfies the responsibilities of the Community District, of the Board of Education and superintendent of schools of the Community District, and of the transition manager under section 12b of the Code, MCL 380.12b, until the elected members of the school board of the Community District are elected and take office under section 384 of the Code, MCL 380.384; and

WHEREAS, on June 30, 2016, Transition Manager Steven W. Rhodes adopted the 2016-2017 Budget for the Detroit Public Schools Community District in accordance with Sections 14(2) and 14(3) of the Uniform Budgeting and Accounting Act and in accordance with Section 7(c) of the Financial Review Commission Act; and

WHEREAS, the 2016-2017 Budget may be revised and/or amended to reflect the changes in revenues and/or expenditures; and

WHEREAS, on August 29, 2016, the Financial Review Commission approved the first amendment to the 2016-2017 Budget.
NOW, THEREFORE IT IS HEREBY ORDERED THAT:

1. Pursuant to the powers granted under Public Act 192, the Transition Manager hereby adopts the First Amendment to the FY 2016-2017 as attached hereto.

2. That the relevant personnel shall assist in the submission and implementation of this Order.

Detroit Public Schools Community District
Charter County of Wayne
State of Michigan

By: ____________________________

Steven W. Rhodes
Its: Transition Manager

Dated: August 29, 2016
DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

TO: Judge Steven Rhodes, Transition Manager
FROM: Marios Demetriou, Deputy Superintendent of Finance and Operations
SUBJECT: Fiscal Year 2017 Budget Amendment # 1
DATE: August 29, 2016
CC: Alycia Meriweather, Interim Superintendent
    Delores Brown, Executive Director, Finance
    Michael Bridges, Deputy Executive Director, Finance
    Marc Ingram, Deputy Executive Director, Finance

The Fiscal Year 2016-2017 (FY 2017) budget amendment No. 1 is based on a comprehensive review of actual and projected financial data and analysis. The following is a summary of some of the notable changes to the General Fund by function since the budget was adopted.

EXPENDITURES

Instruction – The Section 31A budget increased $1.9 million primarily attributed to Reading Recovery Teachers. After reviewing the adopted budget, the Department of State and Federal Programs (DSFP) recommended changing the function codes of selected account strings for compliance reasons, and this resulted in a $630,000 increase to Instruction. Various budget increases totaling $150,000 account for the total change in this functional category.

Instructional Staff – The Section 31A budget decreased $1.9 million primarily attributed to shifting funds to Instruction for Reading Recovery Teachers. Various budget increases totaling $120,000 account for the total change in this functional category.

Pupil Services - After reviewing the adopted budget, DSFP recommended changing the function codes of selected account strings for compliance reasons, and this resulted in a $245,000 decrease to Pupil Services.

Executive Administration – The Office of the Inspector General’s budget was moved from Business Services to Executive Administration to be in agreement with the State of Michigan Accounting Manual. This resulted in a $520,000 increase to Executive Administration. Various budget increases totaling $140,000 account for the total change in this functional category.
School Administration - After reviewing the adopted budget, DSFP recommended changing the function codes of selected account strings for compliance reasons, and this resulted in a $240,000 decrease to School Administration.

Business Services - The Office of the Inspector General’s budget was moved from Business Services to Executive Administration to be in agreement with the State of Michigan Accounting Manual. This resulted in a $520,000 decrease to Business Services. Various budget decreases totaling $10,000 account for the total change in this functional category.

Other Support Services – The Office of Fine Arts budget increased $73,000 solely attributed to the carrying forward of the UAW Fine Arts Grant.

FUND BALANCE

The Detroit Public Schools Community District expects the FY 2017 surplus to remain $17.3 million.
FOOD SERVICE FUND

The Food Service Fund has remained unchanged since budget adoption.
# DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

## DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

### GENERAL FUND

#### BUDGET AMENDMENT # 1

#### YEAR ENDING JUNE 30, 2017

## Revenue:

<table>
<thead>
<tr>
<th>Source</th>
<th>FY 2017 - Adopted</th>
<th>FY 2017 - Budget Amendment # 1</th>
<th>FY 2017 - Budget Amendment # 1 Increase (Decrease) Over FY 2017 - Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local sources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special education millage</td>
<td>$ 38,826,853</td>
<td>$ 38,826,853</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>11,925,615</td>
<td>12,228,981</td>
<td>303,366</td>
</tr>
<tr>
<td>Total local sources</td>
<td>50,752,468</td>
<td>51,055,834</td>
<td>303,366</td>
</tr>
<tr>
<td>State sources</td>
<td>445,820,225</td>
<td>445,820,225</td>
<td>-</td>
</tr>
<tr>
<td>Federal sources</td>
<td>141,820,618</td>
<td>142,196,114</td>
<td>377,496</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>638,393,311</td>
<td>639,074,173</td>
<td>680,862</td>
</tr>
</tbody>
</table>

## Expenditures:

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2017 - Adopted</th>
<th>FY 2017 - Budget Amendment # 1</th>
<th>FY 2017 - Budget Amendment # 1 Increase (Decrease) Over FY 2017 - Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>332,136,275</td>
<td>334,818,296</td>
<td>2,682,021</td>
</tr>
<tr>
<td>Support services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pupil services</td>
<td>61,098,044</td>
<td>60,851,685</td>
<td>(246,359)</td>
</tr>
<tr>
<td>Instructional staff support</td>
<td>55,408,594</td>
<td>53,634,411</td>
<td>(1,772,183)</td>
</tr>
<tr>
<td>General administration</td>
<td>3,177,970</td>
<td>3,836,974</td>
<td>659,004</td>
</tr>
<tr>
<td>School administration</td>
<td>38,695,133</td>
<td>38,454,265</td>
<td>(240,868)</td>
</tr>
<tr>
<td>Business office</td>
<td>9,992,727</td>
<td>9,481,223</td>
<td>(511,504)</td>
</tr>
<tr>
<td>Operations &amp; maintenance</td>
<td>84,826,740</td>
<td>84,854,606</td>
<td>27,866</td>
</tr>
<tr>
<td>Transportation</td>
<td>35,049,312</td>
<td>35,031,312</td>
<td>(18,000)</td>
</tr>
<tr>
<td>Central support service</td>
<td>28,356,986</td>
<td>28,331,821</td>
<td>(25,165)</td>
</tr>
<tr>
<td>Other support service</td>
<td>769,593</td>
<td>842,576</td>
<td>72,983</td>
</tr>
<tr>
<td>Total support services</td>
<td>317,373,099</td>
<td>315,318,873</td>
<td>(2,054,226)</td>
</tr>
<tr>
<td>Community service</td>
<td>4,189,662</td>
<td>4,242,729</td>
<td>53,067</td>
</tr>
<tr>
<td>Facilities acquisitions and improvement</td>
<td>606,809</td>
<td>606,809</td>
<td>-</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>654,305,845</td>
<td>654,986,707</td>
<td>680,862</td>
</tr>
</tbody>
</table>

## Other Financial Sources (Uses)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2017 - Adopted</th>
<th>FY 2017 - Budget Amendment # 1</th>
<th>FY 2017 - Budget Amendment # 1 Increase (Decrease) Over FY 2017 - Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>6,000,000</td>
<td>6,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Payments from Other School Districts</td>
<td>25,000,000</td>
<td>25,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Transfers In</td>
<td>2,256,058</td>
<td>2,256,058</td>
<td>-</td>
</tr>
<tr>
<td>Total Sources</td>
<td>33,256,058</td>
<td>33,256,058</td>
<td>-</td>
</tr>
<tr>
<td>Total Other Financial Sources (Uses)</td>
<td>33,256,058</td>
<td>33,256,058</td>
<td>-</td>
</tr>
<tr>
<td>Excess (deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses</td>
<td>17,343,524</td>
<td>17,343,524</td>
<td>-</td>
</tr>
<tr>
<td>Beginning Fund Balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td>$ 17,343,524</td>
<td>$ 17,343,524</td>
<td></td>
</tr>
</tbody>
</table>
# DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

## FOOD SERVICE FUND

**BUDGET AMENDMENT # 1**

**YEAR ENDING JUNE 30, 2017**

<table>
<thead>
<tr>
<th>Revenue:</th>
<th>FY 2017 - Adopted</th>
<th>FY 2017 - Budget Amendment # 1</th>
<th>FY 2017 - Budget Amendment # 1 Increase (Decrease) Over FY 2017 - Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local sources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$ 980,500</td>
<td>$ 980,500</td>
<td>$ 980,500</td>
</tr>
<tr>
<td>Total local sources</td>
<td>980,500</td>
<td>980,500</td>
<td></td>
</tr>
<tr>
<td>State sources</td>
<td>1,283,000</td>
<td>1,283,000</td>
<td></td>
</tr>
<tr>
<td>Federal sources</td>
<td>47,340,473</td>
<td>47,340,473</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>49,603,973</td>
<td>49,603,973</td>
<td></td>
</tr>
</tbody>
</table>

| Expenditures:                     |                   |                               |                                                                               |
| Support services                  |                   |                               |                                                                               |
| Personnel                         | 15,190,201        | 15,190,201                    |                                                                               |
| Purchased Services                | 2,644,775         | 2,644,775                     |                                                                               |
| Supplies                          | 28,412,939        | 28,412,939                    |                                                                               |
| Equipment & Capital               | 1,100,000         | 1,100,000                     |                                                                               |
| **Total support services**        | 47,347,915        | 47,347,915                    |                                                                               |
| **Total Expenditures**            | 47,347,915        | 47,347,915                    |                                                                               |

| Other Financial Sources (Uses)    |                   |                               |                                                                               |
| Sources                           |                   |                               |                                                                               |
| Proceeds from sale of capital assets | -                | -                             |                                                                               |
| Prior Year Surplus                | -                 | -                             |                                                                               |
| Proceeds from EAA borrowing       | -                 | -                             |                                                                               |
| Transfers in                      | -                 | -                             |                                                                               |
| **Total Sources**                 | -                 | -                             |                                                                               |
| Uses                              |                   |                               |                                                                               |
| Transfers Out                     | (2,256,058)       | (2,256,058)                   |                                                                               |
| Prior Year Surplus                | -                 | -                             |                                                                               |
| **Total Uses**                    | (2,256,058)       | (2,256,058)                   |                                                                               |
| **Total Other Financial Sources (Uses)** | (2,256,058) | (2,256,058) |                                                                               |

| Excess (deficiency) of Revenue Over (Under) Expenditures | - | - |
| Beginning Fund Balance | - | - |
| Ending Fund Balance | $ | $ |